

Frequently Asked Questions

Version 1.1

Minimum standards for use of the wordmarks “Green Pfandbrief” / “Grüner Pfandbrief” (for Mortgage Pfandbriefe)

Version dated: 1.1.2025

General	
What is the trademark license agreement?	The trademark licence agreement is a contract for the use of the wordmarks Green Pfandbrief (Community Trademark EU 008 746 307) and Green Pfandbrief (Community Trademark EU 008 885 782), concluded between the Association of German Pfandbrief Banks e.V. (vdp) and a Pfandbrief bank.
Who is licensee?	The licensee is a Pfandbrief bank which has concluded a trademark licence agreement with the Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken e.V., vdp).
Who is the licensor?	The licensor is the Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken e.V., vdp), which concludes a trademark licence agreement with the licensee.
What are the minimum standards?	The minimum standards are voluntary obligations and principles defined by the Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken e.V., vdp), which must be fulfilled by the licensee in order to be allowed to use the wordmarks Green Pfandbrief (Community trademark EU 008 746 307) and Green Pfandbrief (Community trademark EU 008 885 782) in accordance with the trademark license agreement. The minimum standards are regularly reviewed and revised to ensure they are up to date. The current version as well as the archived versions can be accessed at any time at: https://www.green-pfandbrief.com
Why do we need minimum standards?	Minimum standards in particular warrant and standardize the product quality. The Association of German Pfandbrief Banks (Verband deutscher Pfandbriefbanken e.V., vdp) sees this as a basic requirement for the further development and promotion of this market segment.

What is a Green Pfandbrief?	A Green Pfandbrief is a Mortgage Pfandbrief based on the Pfandbrief Act that meets the minimum standards for the Green Pfandbrief.
What are the Green Bond Principles (GBP)?	The Green Bond Principles are voluntary obligations and principles defined by the International Capital Markets Association (ICMA) for the issuance of Green Bonds. They are directed towards the issuer and require the issuer to be transparent and disclose information in order to promote the integrity of the green bond market.
What is a Green Bond Framework (GBF)?	In a Green Bond Framework, an issuer defines the principles for its Green Bond activities. The framework specifies in particular which principles and obligations (e.g. GBP) are complied with on a voluntary basis.

Eligible Assets	
What are eligible assets?	Eligible assets are loans for the acquisition or construction of green buildings or for the renovation of existing buildings to improve their energy efficiency. The values to be complied with in this context are covered by the minimum standards under point (b).
What is meant by new buildings with a primary energy demand/consumption that is at least 10% below the national standard for nearly zero-energy buildings (NZEB)?	This means that new buildings must have an energy requirement/consumption that is at least 10 % below the NZEB standards (Nearly Zero Energy Building) in accordance with the European Energy Performance of Buildings Directive (EPBD), which was implemented in Germany in Section 10 of the Building Energy Act (GEG).
What is the difference between commercial and residential real estate financing?	The type of use of a building is decisive for the distinction between commercial and residential real estate financing. Only the dominant type of use of a building is decisive for the definition of residential real estate financing. This must be for residential purposes and includes, for example, single-family homes, two-family homes, condominiums and multi-family homes. Any other financing purpose must be classified as commercial.

<p>What is meant by sustainability certificate?</p>	<p>A sustainability certificate indicates the quality of a building in terms of sustainability. The buildings are appraised according to defined sustainability criteria. In addition to ecological aspects, economic and socio-cultural aspects are also included in this appraisal, so that, in contrast to energy certificates, all three pillars of sustainability are assessed. Criteria can include, for example, water consumption, materials used, location and connections of the property, acoustic and thermal quality or life cycle of the property. By summing up individual criteria, the overall sustainability quality of a building is determined, which is then clustered according to individual scores (e.g. from bronze to platinum for DGNB, from average to excellent for BREEAM or from certified to platinum for LEED).</p>
<p>Who is considered an established provider of sustainability certificates?</p>	<p>There are several providers of sustainability certificates for real estate, each of which awards their seal of approval in different quality levels. The best known in Germany are in particular the seals of the DGNB (German Sustainable Building Council), LEED (Leadership in Energy and Environmental Design) of the US Green Building Certification Institute and BREEAM (British Research Establishment Environmental Assessment Method), which is awarded by licensed experts. There are other acknowledged sustainability certificates, such as HQE (Haute Qualité Environnementale) of the French Association pour la Haute Qualité Environnementale (ASSOHQE), CASBEE (Comprehensive Assessment System for Building Environmental Efficiency), which is awarded mainly in Japan and Asia, and LENOZ (Lëtzebuenger Nohaltegkeets Zertifizéierung) from Luxembourg.</p>
<p>What is meant by top categories of an established provider?</p>	<p>The top categories of an established provider include certifications awarded to buildings that have been built in a particularly sustainable manner and whose energy efficiency is among the best in a property portfolio. This is expressed by a particularly high score or standard.</p>
<p>What is meant by energy consumption?</p>	<p>This refers to the actual measured energy consumption used to operate a property. Depending on the individual Green Bond Framework of a Green Pfandbrief issuer, it can represent both, the heating energy and electricity consumption of a building or parts thereof.</p>
<p>What is meant by energy demand?</p>	<p>This refers to the calculated energy demand required for the intended use of a building under standard conditions. Depending on the design of the individual Green Bond Framework, it can represent both, the heating energy and the electricity demand of a building or parts thereof.</p>

<p>What is meant by top 15% of the national commercial property stock?</p>	<p>This refers to commercial properties whose energy efficiency in terms of energy consumption or demand is among the top 15% of the relevant stock. For verification purposes, the issuer publishes the methodology for classification. It is taken into account that the requirements for achieving the top 15% with an improved overall property stock must be regularly adjusted. Such adjustments are made on a linear basis. The goal is CO2 neutrality for commercial real estate by 2050.</p>
<p>What does the 15% refer to?</p>	<p>The relevant stock refers to different categories such as office, retail or residential within a country, a region or city.</p>
<p>What is meant by energy efficiency class A?</p>	<p>In the Energy Performance Certificate (EPC), buildings are divided into energy efficiency classes, similar to household appliances. This makes it easier to compare buildings in terms of their energy level. There are nine energy efficiency classes for residential buildings, ranging from A+ to H, with class A being the second best. To achieve energy efficiency class A, the final energy demand or consumption must be between 30 and max. 50kWh per square metre per year in accordance with the Building Energy Act (GEG) 2023. Energy efficiency class A also applies to properties located abroad, but without compliance with a specific energy demand/consumption.</p>
<p>What is meant by co-financing through KfW promotional programmes?</p>	<p>This includes financing for so-called KfW efficiency houses. The KfW efficiency house is a technical standard that KfW uses in its promotional programmes. Different numerical values indicate how high the annual primary energy demand of the property is in relation to a reference building.</p>
<p>How can a reduction in energy demand or consumption of at least 30 % be proven?</p>	<p>Proof of a reduction in energy demand/consumption of at least 30% is provided either by energy certificates in accordance with the German Buildings Energy Act (Gebäudeenergiegesetz, GEG) issued before and after the renovation/renovation measure or by comparable calculations or measurements.</p>
<p>Is there a differentiation between electricity and heat?</p>	<p>This depends on the individual Green Bond Framework of the issuers.</p>
<p>Is it based on final or primary energy consumption or demand?</p>	<p>This depends on the individual Green Bond Framework of the issuers.</p>

What is meant by loan records of the licensee?	The issuer must maintain a system or database in which suitable assets are clearly identified and listed.
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Other	
What is meant by "nominal volume of eligible assets"?	This refers to the total nominal value of all eligible assets in the cover pool of the Green Pfandbrief.
How is a good sustainability rating defined?	A good sustainability rating is a rating which confirms that the company is harmless from a sustainability perspective.
How is a recognised sustainability rating agency defined?	A recognised sustainability rating agency is a rating agency that is active and established in the sustainability sector.
What is an External Review?	An External Review is a review and confirmation of compliance with the GBP and the adequacy of the GBF under Green Finance aspects (sometimes referred to as a second party opinion) carried out by a neutral third party (suitable provider).
How is a suitable external provider of an External Review defined?	A suitable provider of an External Review is a neutral third party, which is specialised and established in the verification of compliance with GBPs and GBFs under Green Finance aspects.
Does the reporting obligation relate to 12 months or a calendar year?	In line with current market standards, the annual reporting obligation refers to 12 months.
What is Impact Reporting?	Impact Reporting is a publication/report on the environmental impact of the emission. In particular, this concerns the CO2 savings achieved. In this context, the issuer should also disclose the methodology used.

<p>What else should the annual reporting include besides impact reporting?</p>	<p>In addition to impact reporting, the annual reporting should in particular include everything that is also foreseen under the current GBPs.</p>
<p>How is public access defined?</p>	<p>This refers to any publication via a medium that allows the public to access the information without barriers (e.g. Internet sites).</p>
<p>What is the EU taxonomy for environmentally sustainable economic activities for climate protection?</p>	<p>This refers to the classification system (taxonomy) laid down by the European Union for environmentally sustainable economic activities that serve climate protection purposes.¹</p>
<p>What are the EU Green Bond Standards?</p>	<p>The EU Green Bond Standards are principles and obligations for the issuance of green bonds, which have been laid down by law at EU level (Regulation (EU) 2023/2631 of 22.11.2023)² and must be fulfilled if an issuer wishes to name its bonds EU Green Bonds.</p>

¹ [Regulation - 2020/852 - EN - taxonomy regulation - EUR-Lex \(europa.eu\)](#)

² [Regulation - EU - 2023/2631 - EN - EUR-Lex \(europa.eu\)](#)